



National Bank of Kuwait Investor Presentation

April 2019

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NBK at a Glance

Snapshot

Background	<ul style="list-style-type: none"> National Bank of Kuwait S.A.K.P. ("NBK" or the "Bank") was established in 1952 as the first local bank and the first shareholding company in Kuwait and as the first indigenous bank in the GCC. The Bank is the leading banking group in Kuwait in terms of assets, customer deposits and customer loans and advances. NBK is the dominant bank in Kuwait with more than 30% market share of assets. The Bank was ranked amongst the 50 safest banks in the world by Global Finance and was named the most valuable banking brand in Kuwait and among the top 10 in the region by Brand Finance.
Ownership	<ul style="list-style-type: none"> The Bank was established by a group of leading Kuwaiti merchants and it has retained the same core shareholder base since that time. NBK's shares are listed on the Kuwait Stock Exchange since 1984 with only one shareholder holding owning more than 5% of the Bank's share capital (PIFSS owns 5.53% as of December 2017). NBK's market capitalisation as at 31 December 2018 was USD 16.8 bn.
Operations	<ul style="list-style-type: none"> The Bank's core businesses are (i) consumer and private banking, (ii) corporate banking, (iii) Islamic banking and (iv) investment banking and asset management. The Bank operates across 15 countries with a predominant focus on the MENA region.

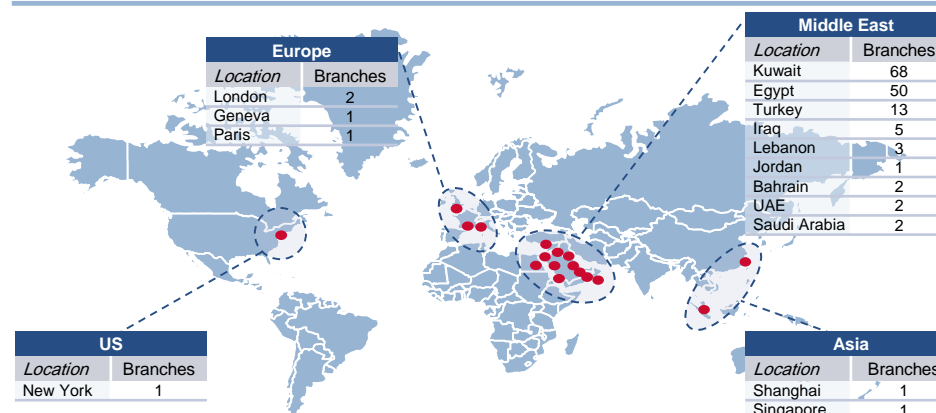
Credit Ratings

Rating Agency	Long Term Rating	Standalone Rating	Outlook
MOODY'S	Aa3	a3	Stable
STANDARD & POOR'S	A+	a-	Stable
FitchRatings	AA-	a-	Stable

Financial Snapshot

USD million	2016	2017	2018
Total Assets	79,917	85,838	90,432
Loans, advances & Islamic financing	44,878	47,816	51,116
Customer Deposits	41,570	45,432	47,441
Total Equity	11,226	11,741	12,203
Net Operating Income	2,457	2,712	2,912
Net Profit attributable	973	1,063	1,222
Cost to Income (%)	33.8%	32.3%	31.3%
Net Interest Margin (%)	2.47%	2.61%	2.69%
NPL Ratio (%)	1.28%	1.42%	1.38%
Loan Loss Coverage Ratio (%)	365.2%	287.5%	228.1%
Return on Average Equity (%)	10.2%	10.8%	12.0%
Tier 1 Ratio (%)	15.7%	15.8%	15.3%
Capital Adequacy Ratio (%)	17.7%	17.8%	17.2%

Overview of Regional and International Geographic Presence



Notes: Through out the investor presentation, the USD/KD exchange rate used is 0.30330 for year-end figures and 0.30420 for quarterly figures. The rate is based on the Central Bank of Kuwait's closing exchange rate as of 31/12/2018 and 31/03/2019 respectively.

Key strengths

High credit ratings and among the top brand values regionally

- NBK has one of the highest credit ratings in the MENA region
- Ranked amongst the 50 safest banks in the world by Global Finance, named most valuable banking brand in Kuwait and among the top 10 in the Middle East by Brand Finance

Largest banking group in Kuwait with dominant market position

- As at 31 December 2018, the Bank was the largest bank in Kuwait in terms of total assets, loans and customer deposits. In addition, the Bank enjoys a dominant market share across its business segments
- NBK also has one of the largest and most diversified distribution networks

Sound and consistent financial performance

- Long history of profitability, even throughout the global financial crisis
- Excellent asset quality with an NPL ratio standing at 1.38% at end-2018
- Strong liquidity serving as a buffer in times of need

Stable shareholder base and strong management team

- Established in 1952 by a group of leading Kuwaiti merchants and has retained the same core shareholder base since
- NBK's stable shareholder base is complemented by a strong and stable Board of Directors and a long-serving executive team with in-depth experience



Only banking group in Kuwait to provide both conventional and Islamic banking

- Following its consolidation of Boubyan Bank in 2012, NBK became the only banking group in Kuwait to offer both conventional and Islamic banking services
- This has allowed the Bank to leverage off the opportunities across both markets, particularly given the growing importance of Islamic Finance in Kuwait

A strong regional and international network

- Operations in 15 countries, 9 of which are in the MENA region.
- The Bank continues to explore opportunities to expand geographically with a primary focus on further strengthening operations in MENA region

Strong investment banking capability

- NBK conducts its investment banking and asset management business through its subsidiary, Watani Investment Company K.S.C.C. (Known as NBK Capital)

Rating Excerpts

“The standalone baseline credit assessment (BCA) of a3, reflects the bank’s (1) dominant position in its domestic market, underpinning its resilient core profitability and growth prospects; and (2) robust financial fundamentals including consistently strong asset quality, as well as adequate capitalisation and liquidity.”

MOODY’S

Moody’s – 25 March 2019

“We view NBK’s business position as “strong,” reflecting the bank’s leading position in Kuwait. We believe NBK’s business model, which is more diversified than that of many emerging peers, will help the group exhibit resilience in the challenging economic environment..... The stable outlook reflects our expectation that NBK’s asset quality and capitalization will remain relatively stable, its market position strong, and its funding and liquidity relatively unchanged.”

STANDARD
& POOR’S

Standard & Poor’s – 22 June 2017

“NBK’s Viability Rating (VR) reflects its leading franchise and diversified business model, strong management team, strong asset quality, stable profitability, solid capitalisation, stable funding and liquidity and a stable operating environment in Kuwait.”

FitchRatings

Fitch Ratings – 27 November 2018

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Overview of Kuwait

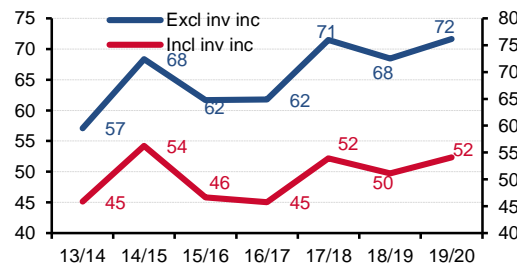
Snapshot

Overview	<ul style="list-style-type: none"> The State of Kuwait (“Kuwait” or the “Sovereign”) is a sovereign state on the coast of the Arabian Gulf, covering a total area of 17,818 square kilometers. Kuwait is a constitutional monarchy, headed by His Highness the Emir, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah.
Economy	<ul style="list-style-type: none"> Kuwait enjoys an open economy, dominated by the government sector. Its economy is heavily dependent on oil, although contributions from other sectors is growing. GDP per head is high by emerging market standards. Kuwait has one of the lowest breakeven oil prices in the GCC, making it more resilient to low oil prices. It has accumulated substantial fiscal and external surpluses over the years.
Strategic Vision	<ul style="list-style-type: none"> Kuwait has a long-term development plan under the banner of “Kuwait Vision 2035”. The vision encompasses six strategic aims: increasing GDP growth, encouraging the private sector, supporting human and social development, promoting demographic policies, enhancing and improving the effectiveness of government administration, and consolidating the country’s Islamic and Arab identity. Kuwait has set medium-term development strategies with a view to ultimately achieving this vision.

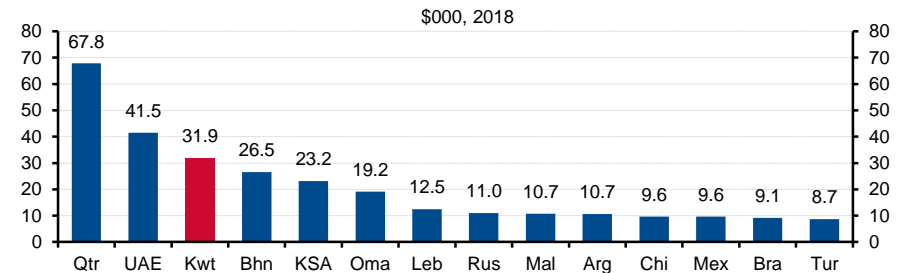
Key Figures

Key Indicators	2019F	2020F
GDP (\$ billion)	139	143
Sovereign Ratings	Aa2 / AA / AA (M / S / F)	
Current Acc (\$ billion)	10.8	9.7
Gov Revenues (%GDP)	46	45
Public Debt (% GDP)	18.5	20.0

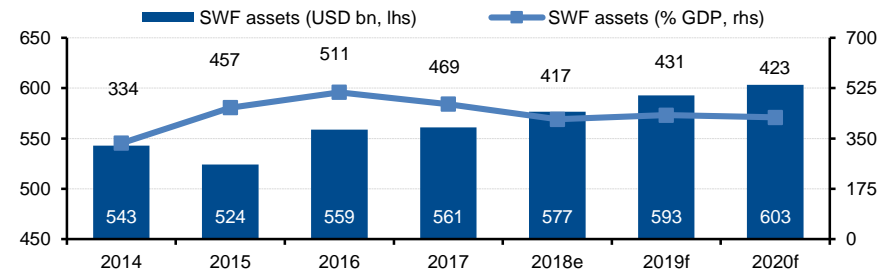
Fiscal breakeven oil price



High GDP per capita by EM standards

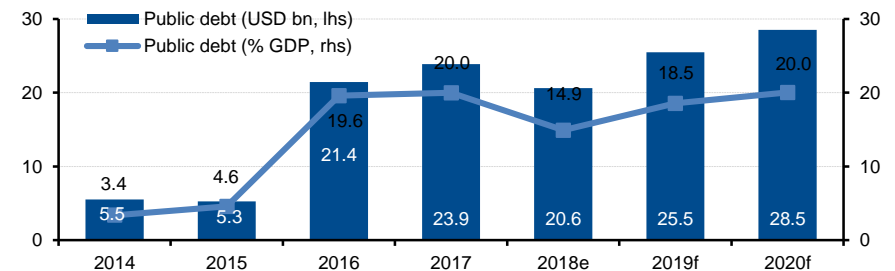


Strong sovereign balance sheet



Note: Unofficial estimates

Public debt remains relatively low as a share of GDP



Note: Projections assume approval of new debt law in FY19/20

Overview of Kuwait (Continued)

Recent Developments

GDP Growth

- Real GDP is estimated to have expanded by 2.0% in 2018 and range between 1.5-2.0% in 2019 and 2020, affected by lower oil production as Kuwait adheres to OPEC's latest cuts.

Public Finance and Inflation

- Non-oil growth is set to expand at a moderate pace of 2-3% over the forecast period, supported by capital and consumer spending.
- Public spending on projects, as well as wages, will remain supportive. Spending is budgeted to rise 5% in FY19/20. Budgeted capex is unchanged, but could actually rise after a soft FY18/19.

Consumer Sector

- After averaging 0.6% in 2018, inflation will remain low at 1-2%, supporting real purchasing power. Strong KD will help keep price pressures in check.
- Consumer spending growth, which supported 2017&18 recovery, may have peaked, but remains supported by steady employment and low inflation.
- The sector was up on average 5% in 2018 according to our NBK consumer spending index.

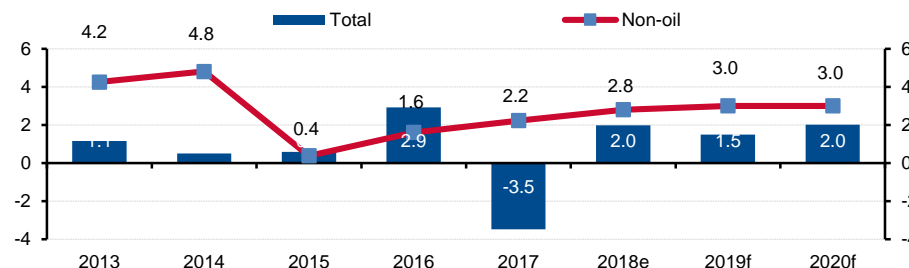
Credit Growth

- Private credit growth picked-up to 5.3% y/y in February and will maintain around that pace in 2019, supported by:
 - a pick-up in project awards
 - the CBK's relaxation of household lending restrictions late in 2018
- Deposit growth eased to 2.3% y/y in February on a fall in government deposits (reversing earlier strong inflows), but private deposit growth remains solid at 4.7%.

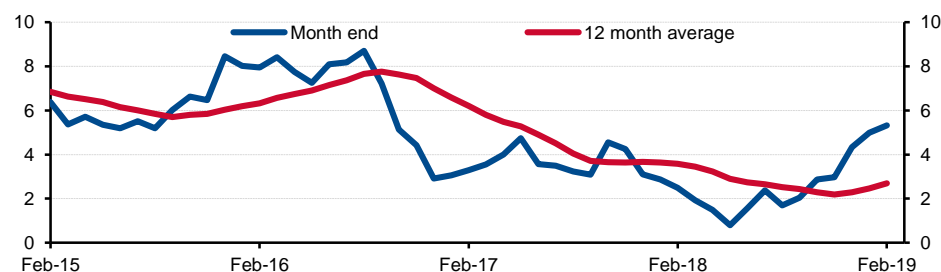
Real Estate Activity

- Real estate market sales and prices are gradually recovering, with noticeable improvements in the residential and investment (apartments) sectors. In 2018 overall, total sales were up 56% and also at a four-year high.

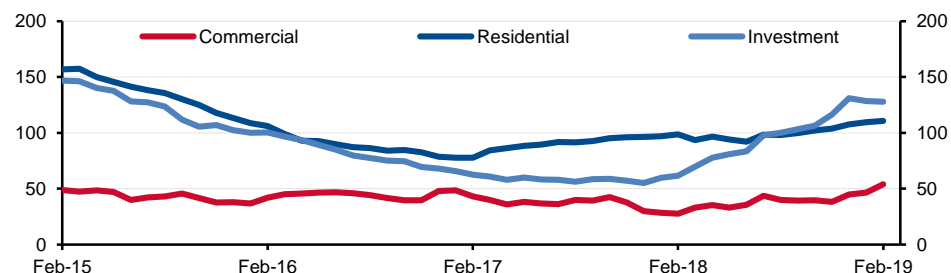
Real GDP (% y/y)



Private credit (change, %/y)



Real estate sales 12m average (KD mn)

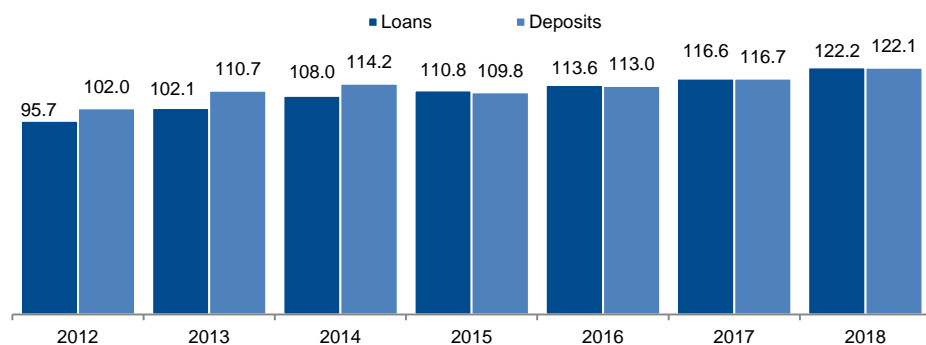


Overview of the Kuwaiti Banking Sector

Snapshot

- **The Kuwaiti banking sector comprises 23 banks**, including 11 domestic banks (five conventional, five Shariah-compliant and one specialized), and branches of 12 international banks (11 conventional and one Islamic).
- **The sector is well regulated by the Central Bank of Kuwait** (“CBK”) with a number of regulations and supervisory norms to ensure the safety of the banking sector including through strict supervision and imposition of prudential ratios, such as lending limits and concentrations, investment limits, liquidity and capital adequacy.
- **The banking sector has demonstrated strong resilience and elevated levels of financial soundness over the past 10 years.** In fact, the sector is very well capitalized, with an average Capital Adequacy Ratio of 18.1% in the four quarters to 3Q18, 5% higher than the required minimum. Non-performing loans to total loans stood at 2.0% in 3Q18.

Key Indicators¹ (USD bn)



Overview of Basel III Implementation in Kuwait

- In June 2014, the Central Bank of Kuwait announced the implementation of the Instructions of Basel III Capital Adequacy Framework in its final format to all local banks.

Minimum Capital Requirements

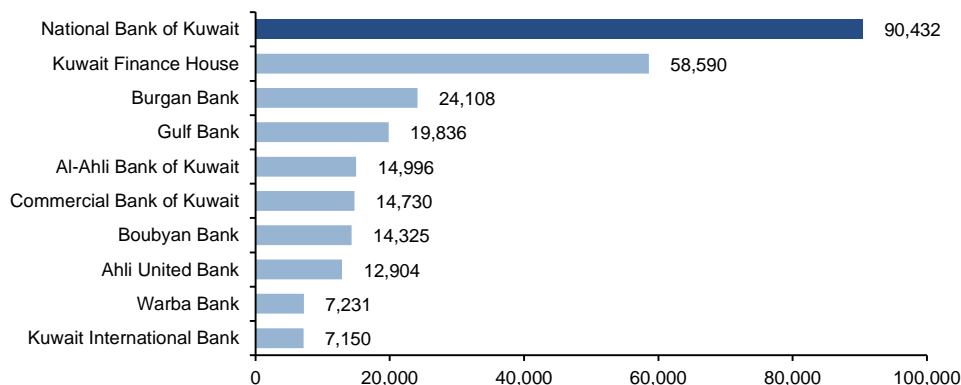
- Kuwait's minimum capital requirements are more stringent, being 2.5% higher than the Basel III guidance with full phase-in required by December 2016 (as compared to Basel III's Jan-2019 deadline)

Phase-in Arrangements	Dec-2014	Dec-2015	Dec- 2016
Total Common Equity Tier 1	8.5%	9.0%	9.5%
Additional Tier 1	1.5%	1.5%	1.5%
Tier 1	10.0%	10.5%	11.0%
Tier 2	2.0%	2.0%	2.0%
Total minimum CAR	12.0%	12.5%	13.0%
D-SIB	0.5%-2.5% as part of CET1 (by 2016)		

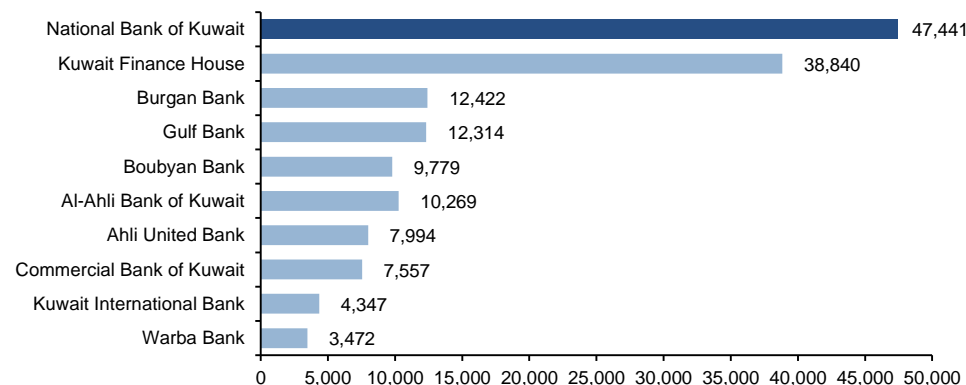
The Dominant Kuwaiti Franchise

NBK is the leading banking group in Kuwait with a market leading position across its business segments

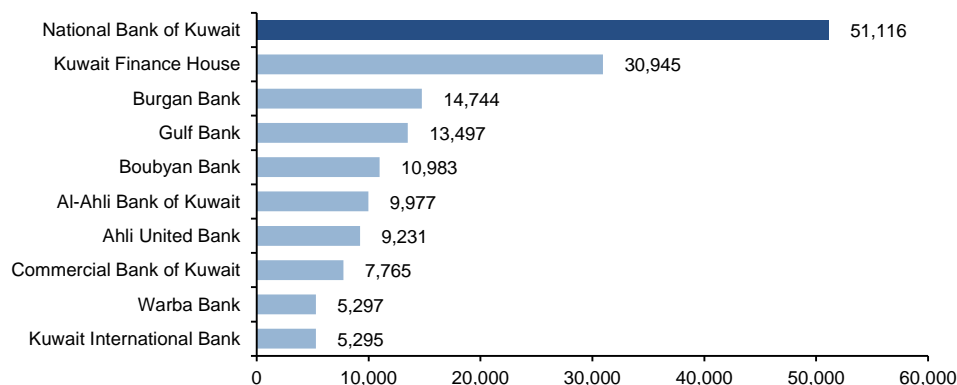
Total Assets (USD million)



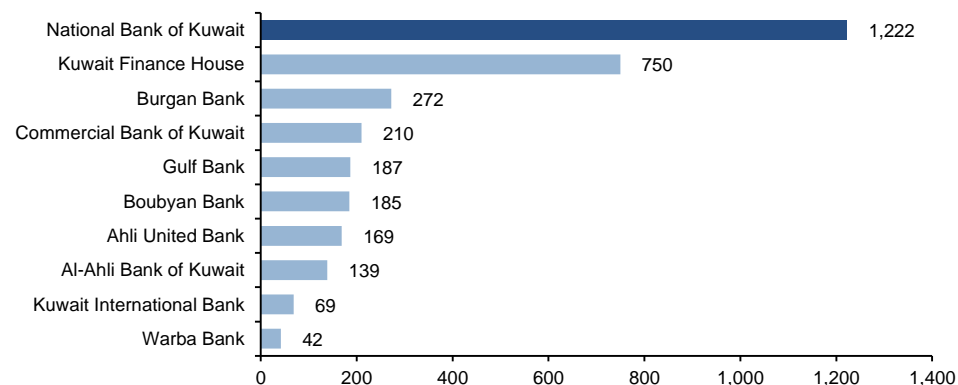
Customer Deposits (USD million)



Customer Loans & Advances (USD million)



Net Profit attributable (USD million)



Sources: Bank's annual reports. All data as of 31 December 2018 for Balance Sheet items and Income Statement Items.

Note: Kuwait Finance House, Boubyan Bank, AUB, KIB and Warba Bank are Islamic banks while Burgan Bank, CBK, Gulf Bank, Al-Ahli Bank of Kuwait are conventional banks.

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NBK's strategy

The Group's strategy, which is based on two main pillars, focuses on defending and growing its leadership position in Kuwait whilst also diversifying its business

Defend and Grow Leadership Position in Kuwait

Maintain excellence and market leadership position, to expand market shares and to maintain discipline in managing both risks and costs

✓ Corporate Banking

- The Bank aims to (i) remain the primary banker for the leading local companies whilst continuing to be active in the mid-market sector; (ii) remain the bank of choice for foreign companies and continuing to serve at least 75% of those companies and (iii) maintain its current market share in trade finance (over 30%). To achieve the above, NBK will leverage off its different services, expand its coverage and broaden the range of products and services offered.

✓ Consumer Banking

- NBK intends to expand its consumer customer base by focusing on profitable consumer segments (such as the affluent and mass affluent segments) and by attracting new clients such as the SMEs.
- Through the above, the Bank aims to maintain its leadership position, maintain its focus on delivery of superior customer service experience and achieve the lowest cost of funds among Kuwaiti conventional banks.

✓ Private Banking

- Within the private banking sector, NBK aims to continue to provide a unique proposition to high net worth clients in collaboration with its investment arm. NBK also aims to provide superior customer service through its highly experienced bankers. The Bank also aims to leverage off its existing brand and experience (particularly in Switzerland) to provide access to leading funds and broaden its product portfolio.

Geographical, and product and service diversification

Includes expanding regional presence, establishing an Islamic banking franchise and building a leading regional investment bank.

✓ Expand Regional Presence

- The Bank's geographic diversification strategy is to leverage its fundamental strengths and capabilities, including its international reach and strong regional relationships, to build a regional platform and support growth in key markets.
- NBK focuses on markets identified to have long-term potential through a combination of high growth economies, sound demographic trends and opportunities aligned with the Bank's competitive advantages.

✓ Establish an Islamic Franchise

- The Bank's strategy, in relation to its Islamic subsidiary, is to differentiate it from other domestic Islamic banks through a clear focus on high net worth and affluent clients and large and mid-market corporate customers.

✓ Build Regional Investment Bank

- NBK looks to establish its business as a leading regional investment banking, asset management, brokerage and research operation and to leverage the Group's strong regional position to cross sell these products across the MENA region.

Kuwait Operations

NBK is a universal bank and the industry leader in all key business segments in Kuwait with an average market share of 30%

Overview and strategy

Corporate Banking

- Remain the primary banker for most of the local blue-chip companies, and an active player in the mid-market
- Remain bank of choice among foreign corporations and continue serving 75% of them active in the Kuwaiti market
- Maintain current market share in excess of 30% in trade finance in Kuwait
- Offer differentiated services to large corporate clients leveraging other NBK units
- Increase market share in medium corporate segment through focused teams and relationship management
- Focus on Government mega projects benefiting from NBK's large capital base
- Maintain asset quality with emphasis on credit control and risk management

Consumer Banking

- Maintain undisputed leadership in retail banking with leading market share and the highest customer penetration among conventional banks
- Maintain focus on customer service
- Expand client base with focus on profitable consumer segments such as affluent and mass affluent, and aim to attract new bankable clients such as SMEs
- Achieve lowest cost of funds among Kuwaiti commercial banks
- Pioneer innovative multi-channel solutions including state of the art internet, mobile banking and call center services
- Focus on the evolution to segment of one by providing tailor-made propositions aiming at better cross-sell, increased product penetration, proactive attrition management utilizing the latest tools and technologies

Private Banking

- Continue to provide a unique proposition to HNWI clientele in collaboration with NBK Capital and the bank's international network
- Provide access to best of breed international funds leveraging NBK Banque Privee's wealth management expertise
- Provide the best service with a dedicated team of over 30 well qualified and experienced private bankers
- Leverage NBK's strong brand to acquire new clients and retain onshore relationships
- Broaden the product portfolio to accommodate growing needs

NBK is a full-service bank that offers a broad suite of financial services and products to clients, meeting their ever growing and evolving demands

International Operations

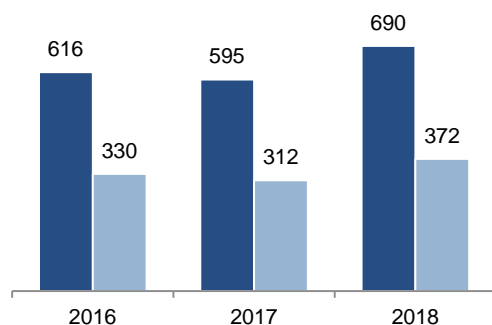
International Operations

- NBK's international operations has been traditionally contributing up to circa 30% of the Group's bottom line with the Bank aspiring to increase this contribution.
- The Bank generally aims to maintain a majority stake in its subsidiaries or at least maintain a decision making role.
- NBK's international presence is a differentiating factor for the Bank and an extension of the MENA franchise enabling better service and strengthening client relationships.
- Specifically within the MENA region, the Bank is focused on growing its business in existing and new markets through attracting increased corporate and private customers.
- Meanwhile, across the international locations, the Bank's focus is on servicing its private and corporate customers who are active internationally and growing its business with international companies that are active in the MENA region.
- Within its international network, NBK is focused on managing risks and costs to improve efficiency and achieve long-term cost savings and productivity gains.

Overview of Performance

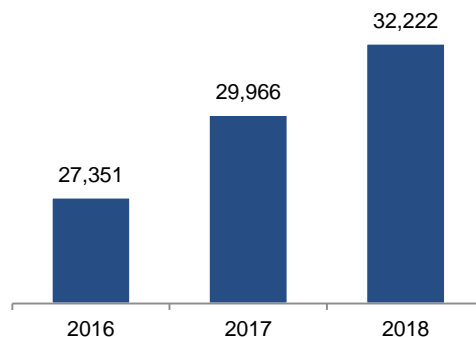
Revenue Trends (USD mn)

■ Net Operating Income ■ Net Profit



Balance Sheet Trends (USD mn)

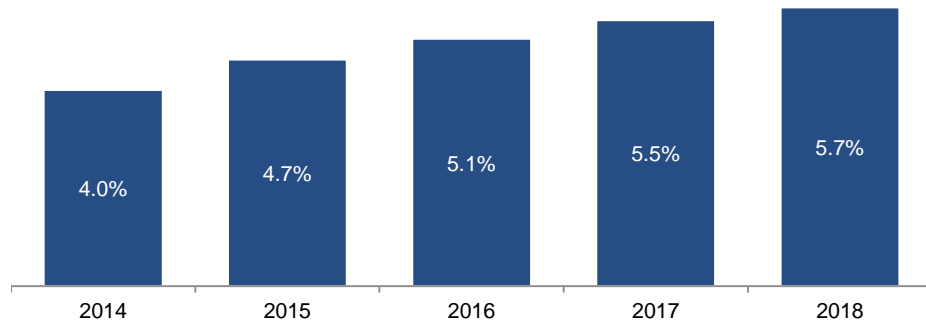
■ Segment Assets



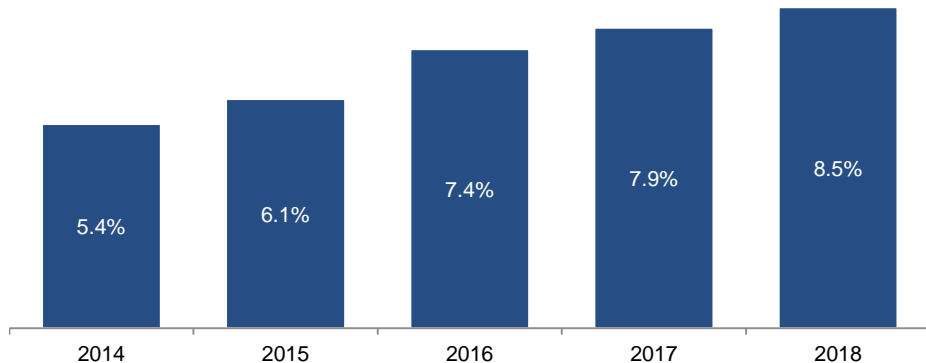
	Established or acquired	Branches	Legal structure
International			
London	1983	2	Subsidiary
New York	1984	1	Branch
Geneva	1984	1	Subsidiary
Singapore	1984	1	Branch
Paris	1987	1	Subsidiary
Shanghai	2005	1	Branch
MENA region			
Bahrain	1987	2	Branch
Lebanon	1996	3	Subsidiary
Jordan	2004	1	Branch
Iraq	2005	5	Subsidiary
Saudi Arabia	2006	2	Branch
Egypt	2007	50	Subsidiary
Turkey	2007	13	Associate
UAE	2008	2	Branch

Boubyan Bank (59.5% owned subsidiary)

Market share of Total Assets(%)



Market share of Total Deposits (%)



Highlights

- Islamic banking has been gaining ground in the Kuwaiti market, representing close to 40% of assets and deposits at year-end 2018.
- After a series of gradual share acquisitions since 2009, NBK's stake in Boubyan bank reached 58.4% in 2012. Through Boubyan, NBK aims at diversifying its income stream, complementing its product offering as well as targeting a new segment of clients.
- The size and market share development of Boubyan relative to other Islamic banks leaves significant room for repositioning the bank and acquiring market share.
- As the largest single shareholder, NBK is committed to the future growth and transformation of Boubyan Bank and establishing a strong presence in the growing Islamic banking segment.
- Leading international consulting firms have assisted Boubyan in developing a new strategy aiming to differentiate the bank from other players with a clear focus on HNWI, affluent and mid/large companies.
- The Bank's transformation and strategy implementation is led by a highly proficient management team with extensive regional banking experience, with key positions filled by NBK veterans aligned with the NBK culture.

Notes: Market share data based on the consolidated data of all banks operating in Kuwait

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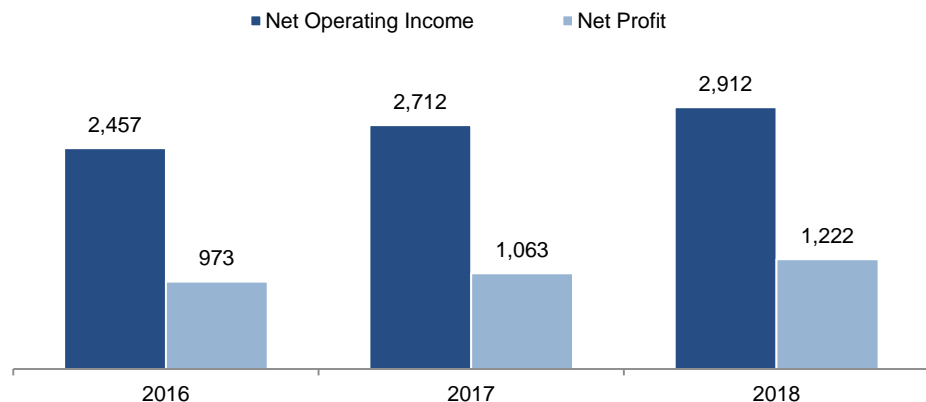
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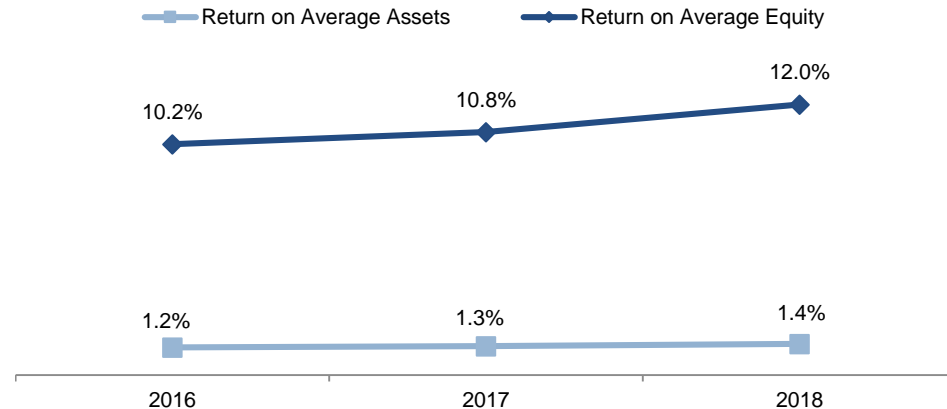
Appendix

Operating Performance & Profitability

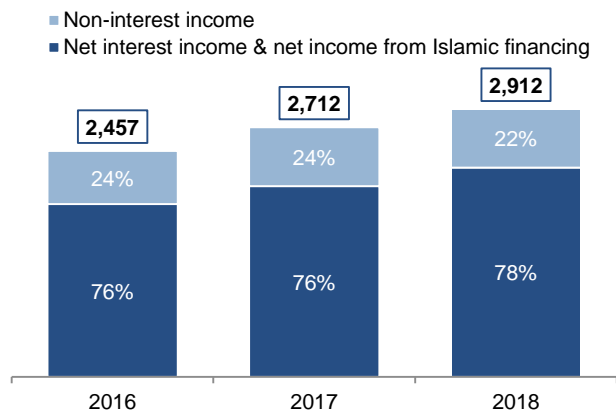
Resilient Profitability (USD mn)



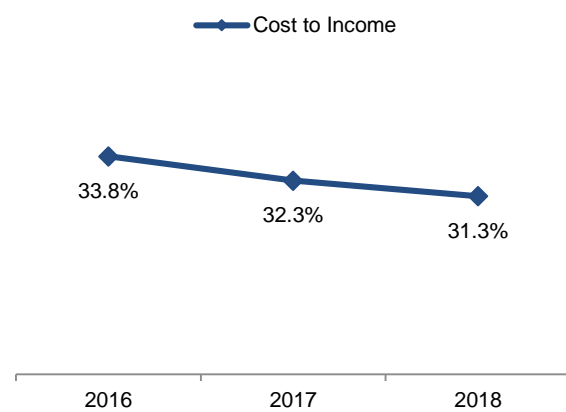
Stable Returns (%)



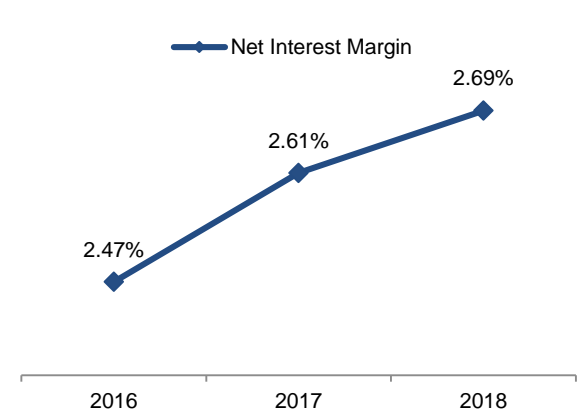
Operating Income Composition (USD mn)



Operating Efficiency (%)

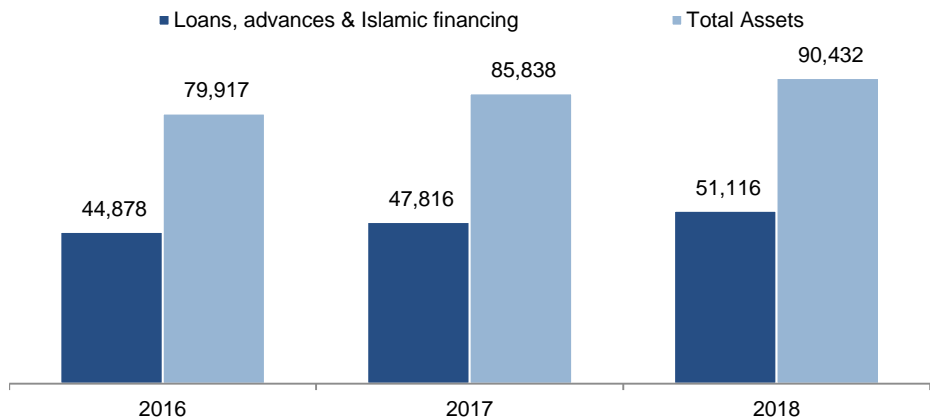


Interest Margins (%)

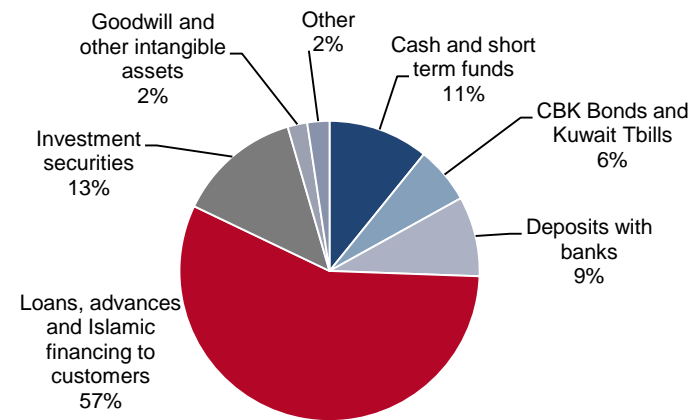


Balance Sheet Parameters

Assets & Loans and Advances (USD mn)

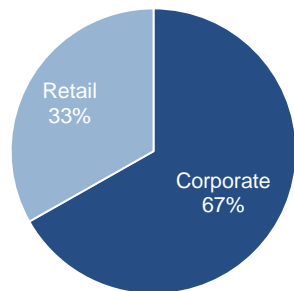


Breakdown of Assets by Type (As at 31 December 2018)



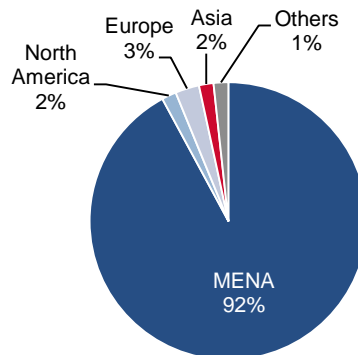
Breakdown of Gross Loans and Advances

By Type - As at 31 December 2018



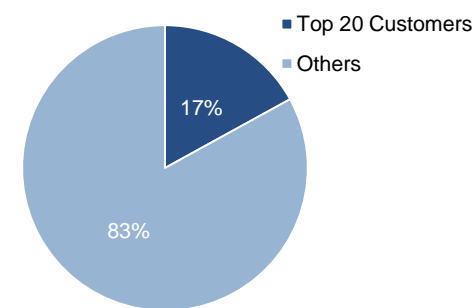
Breakdown of Gross Loans and Advances

By Geography - As at 31 December 2018



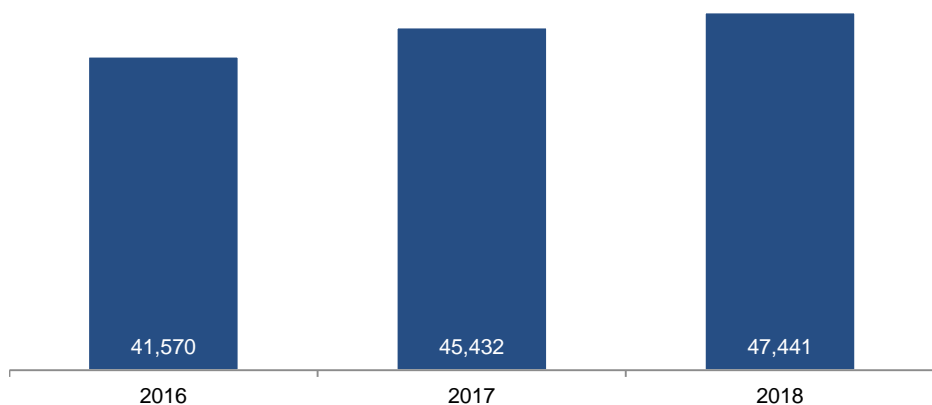
Low loan concentrations

As at 31 December 2018

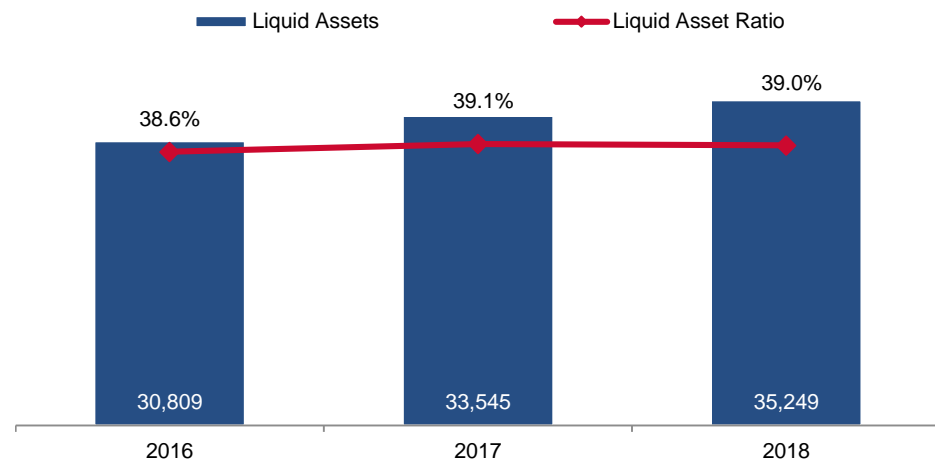


Funding and Liquidity Positions

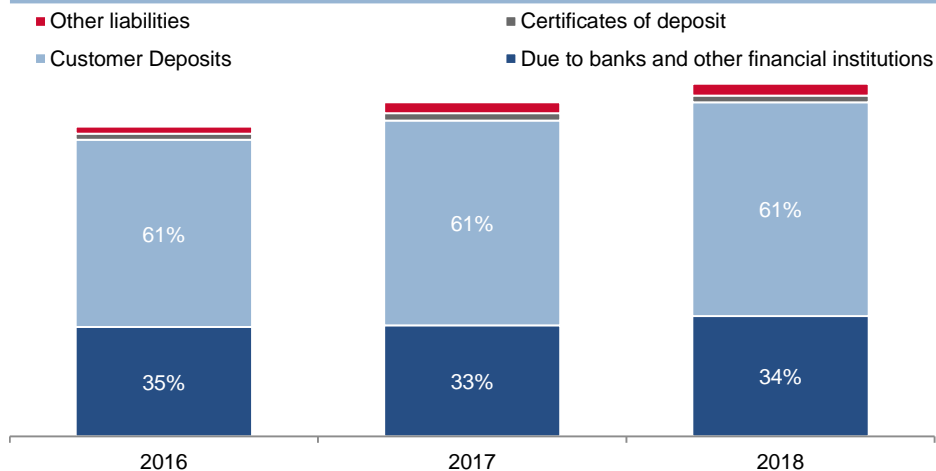
Customer Deposits (USD mn)



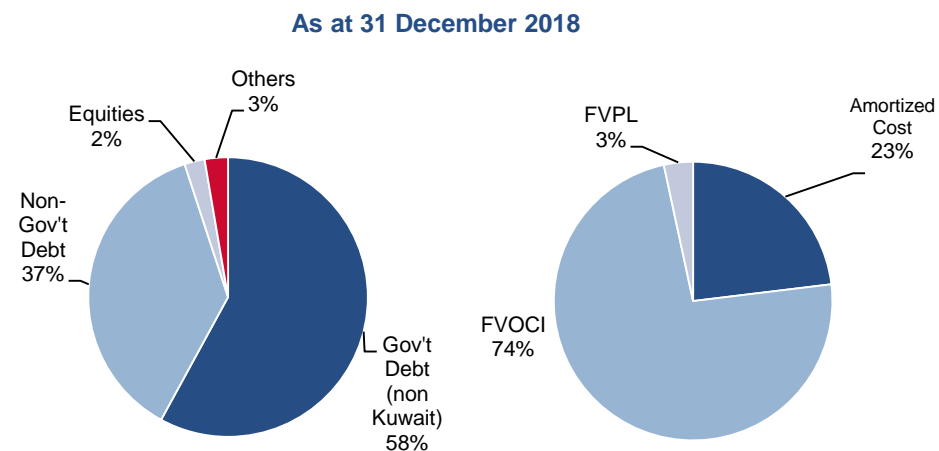
Strong Liquidity Position (USD mn)



(Total Liabilities) Funding Mix (USD mn)

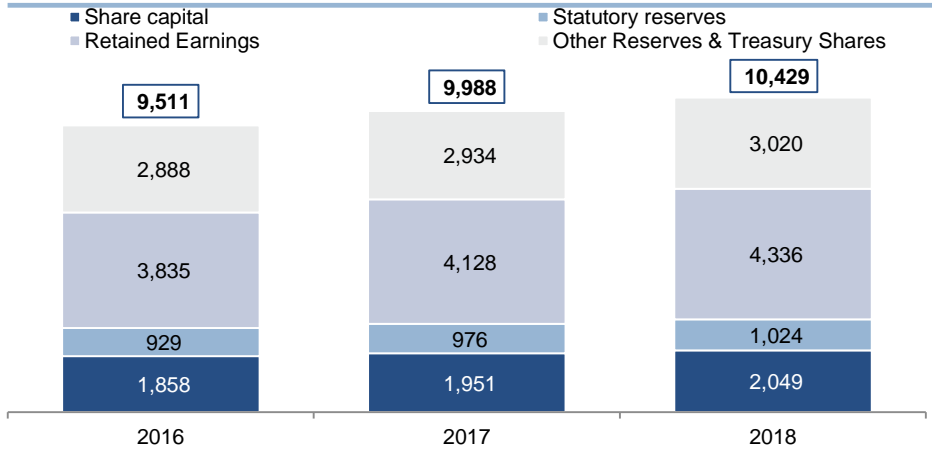


Overview of Investment Securities¹ – USD 12.1 bn

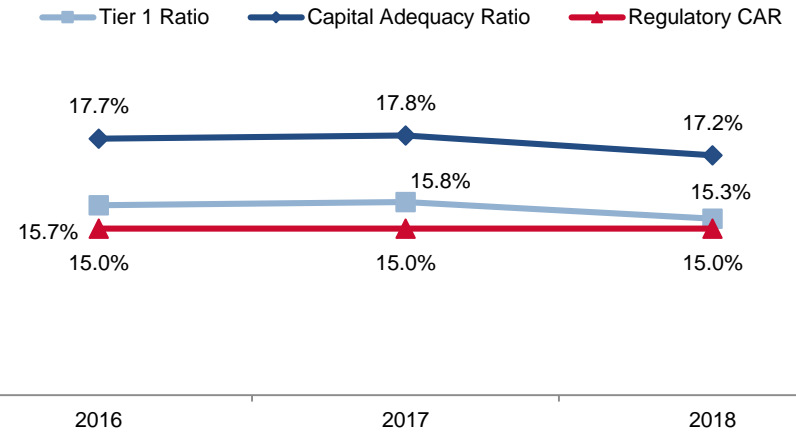


Capitalization and Asset Quality

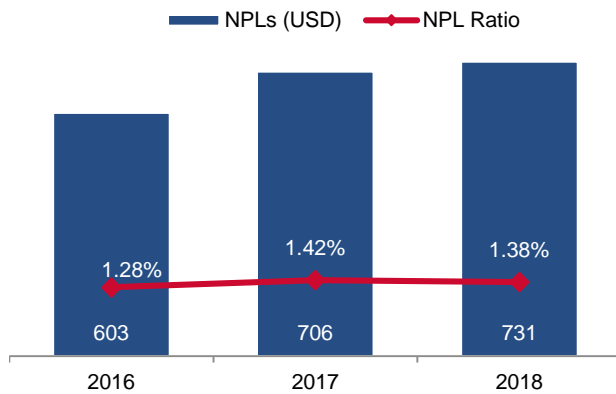
Total Equity¹ Breakdown (USD mn)



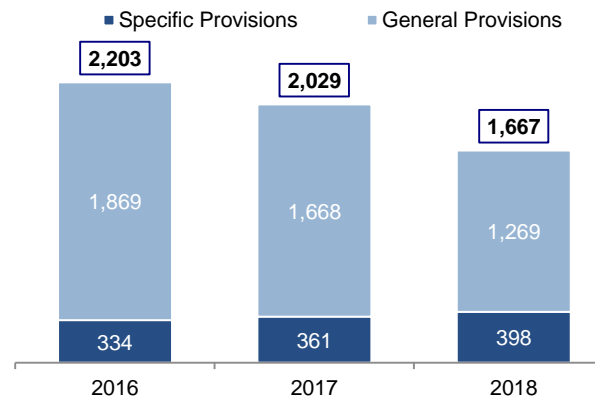
Capital Adequacy (%)



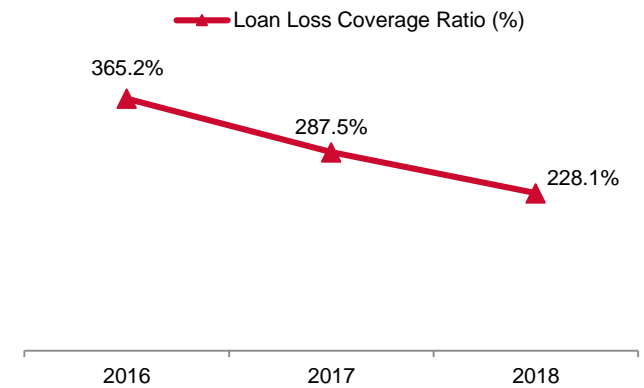
Non-Performing Loans



Prudent Provisioning (USD mn)



Loan Loss Coverage Ratio (%)



Notes:

¹Equity here refers to total equity attributable to the shareholders of National Bank of Kuwait S.A.K.P.

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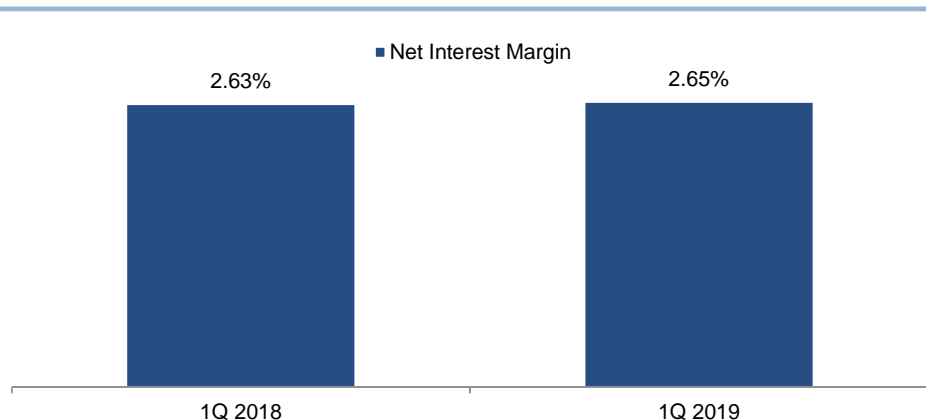
Performance Overview 1Q 2019

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Appendix

1Q 2019 Key Performance Extracts

Interest Margins (%)

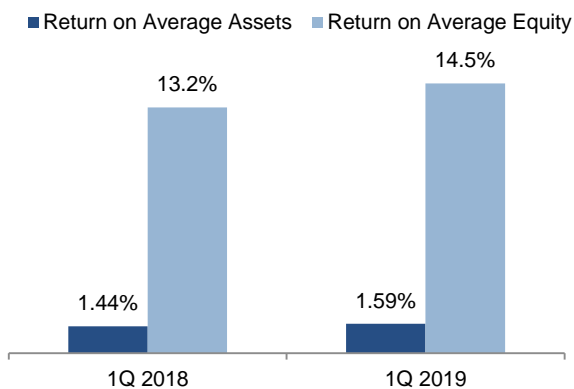


Income Statement Key Highlights (USD mn)

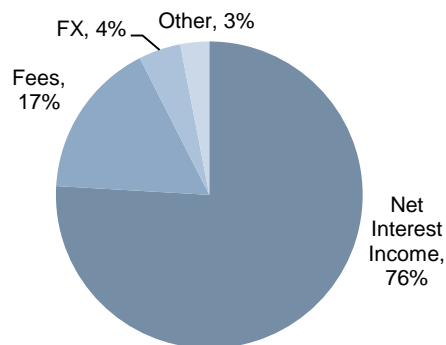
USD million	1Q 2018	1Q 2019
Net Interest Inc. & net inc. from Islamic financing	538	563
Fees and Commissions	122	123
Net Operating Income	702	742
Total Operating Expenses	212	234
Operating Surplus	490	507
Provision charge for credit & impairment losses	139	103
Taxation	25	31
Non-Controlling Interests	18	19
Profit Attributable to Shareholders	308	354

Strong returns and well-diversified earnings

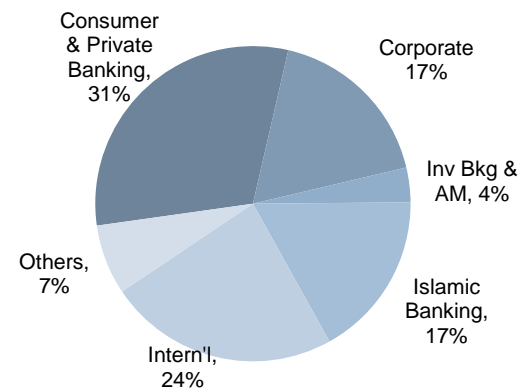
Strong Returns (%)



Operating Income by type



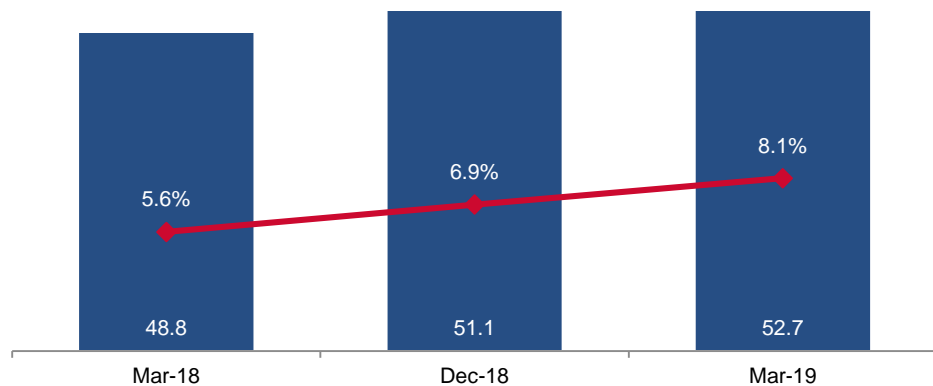
Operating Income by Business Line



1Q 2019 Key Performance Extracts (Continued)

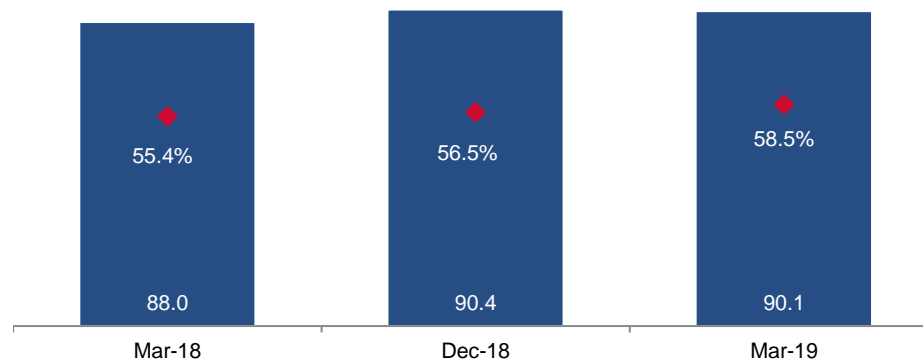
Net Loan Portfolio (USD bn)

■ Net Loans ◆ Net loan growth YoY (%)

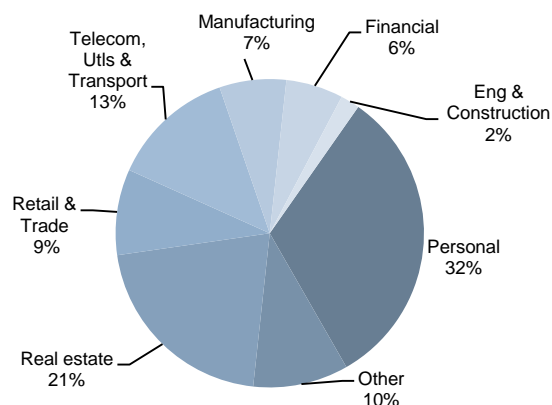


Loans to Assets (USD bn)

■ Total Assets ◆ Loans/Assets

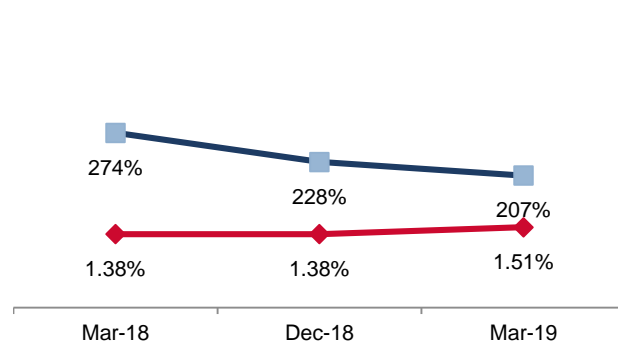


Loan exposure by sector (%)



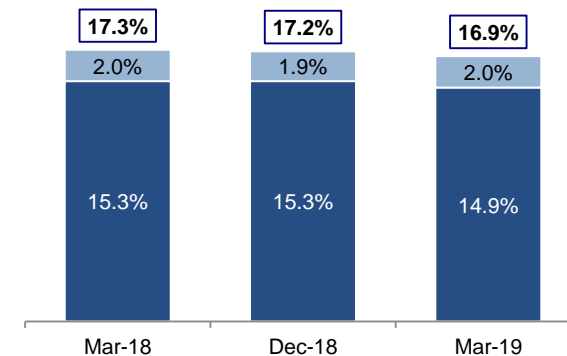
Non-Performing Loans

■ Coverage Ratio ◆ NPL Ratio



Prudent Capitalization (%)

■ Tier 1 ■ Tier 2



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Kuwait Selected Mega Projects

Project	Sector	Value (KD bn)	Scope	Status
South Al Mutlaa City	Housing	2.33	30,000 residential units, schools and other facilities	Underway: Overall progress 19%. Major infrastructure works contract 1 is 57% complete, contract 2 is 29% complete. P-1 and P-3 completion expected by 2020, P-2 completion Sep-2019.
New Refinery Project (NRP)	Oil & gas	3.90	New 615,000 bpd refinery by KNPC	Underway: Progress at 83%. Construction works are underway on P-1, P-2 and P-3 feed pipeline projects. P-4 expected to be completed in 2020, P-5 in 4Q 2019.
Clean Fuels Project (CFP)	Oil & gas	3.70	Specification upgrade and expansion of 2 existing refineries to produce 800,000 b/d.	Underway: Overall progress 85%. All 3 phases were due to complete by end of 2018 but are now slightly overdue. However, finishing works are underway, and project is nearly complete. Standby service contract construction at 50% and scheduled to complete by 2023.
Jurassic Non Associated Oil & Gas Reserves Expansion: Phase 2	Oil & gas	1.22	Production of 120,000 b/d of wet crude and more than 300 million cubic feet a day (cf/d) of sour gas	Underway: Progress at 57%. Construction activities are underway on West Raudhatain field and East Raudhatain field (P-2) with scheduled completion in May 2020. JPF-4 and JPF-5 are delayed due to financial issues. P-1 was cancelled in early 2018.
Petrochemical Facility at Al-Zour	Oil & gas	2.0	Petrochemical plant to be integrated with Al-Zour refinery.	Planning: The main contract prequalification submission was held on December 20, 2018, for P-1, P-2 and P-3. KPC is in the process of shortlisting the pre-qualified companies. Bidding is expected in 1Q 2020
LNG Import and Regasification Terminal	Oil & gas	0.80	4 full containment LNG tanks each with a working capacity of 225,500 m ³ and a regasification plant with capacity of 1500 BBTU/day	Underway: Progress at 71%. Construction works are underway and scheduled to complete in 2020.
Offshore Drilling	Oil & gas	0.90	6 new drilling locations to boost the daily oil production by 700,000 b/d and gas production to 1 bn cubic feet.	Bidding: Awarding was postponed since end-June 2018.
Al-Zour North (IWPP) – P2 & P3	Power & water	0.5	1800 MW of power generation capacity and 464,100m ³ /day of desalination capacity	Planning: P-1 (power & water desalination plant) is complete. P-2 and P-3 are in the main contract PQ stage. The project management consultancy contract has been awarded with a contract value of \$15.6 million
Al-Khairan Power & Desalination Plant (IWPP)	Power & water	0.51	Net capacity of a min 1,500 MW of power and a min 125 MIGD of desalinated water	Bidding/Planning: P-1: Bids submitted for Transaction Advisory Services. P-2 and P-3 still under study. It is understood that project will progress once Al Zour North P-2 & P-3 is awarded.
Umm Al Hayman Waste Water (PPP)	Power & water	0.47	Initial treatment capacity of 500,000 m ³ /d. Plant may replace Riqqa WWTP in future	Underway: Progress: 43%. KAPP has now signed the award letter with a consortium led by Germany's Wassertechnik and the local Kuwait International Financial Advisors. Construction is yet to commence.
Kabd Municipal Solid Waste Project	Power & water	0.3	Waste to energy facility; 50% of all the municipal solid waste produced in Kuwait will be processed at the facility	On Hold: The project continues to be on hold and a decision is awaited on the revival or cancellation of the project.
Al-Dibdibah Solar PP	Power & water	0.5	Capacity to produce 1GW solar project	Bidding/Planning: Bids submission extended to April 2019.
Airport Expansion (New Passenger Building)	Transport	1.90	To increase the annual handling capacity of the airport to 20 million passengers and new runways and infrastructure expansion	Underway/Planning: Overall progress at 58%. Terminal 2 to be completed in 2022. Gulf consult has been appointed as the design consultant for the car park and the design works are underway.
Kuwait National Railroad (PPP)	Transport	2.40	Railroad system linking Kuwait to rest of GCC	Planning: KAPP has not yet issued the request for RFPs. MoC plans to re-conduct feasibility study. PART to appoint an international technical advisor. By 2Q 2019.

Consolidated financials 1Q 2019 (USD million)

<i>Income Statement (USD million)</i>	Mar-18	Mar-19	YoY Growth (%)	<i>Balance sheet (USD million)</i>	Mar-18	Mar-19	YoY Growth (%)
Interest Income	671	806	20%	Cash and short term funds	10,572	9,117	(14%)
Interest Expense	229	341	48%	Central Bank of Kuwait bonds	2,364	2,687	14%
Net Interest Income	441	466	6%	Kuwait Government Treasury bonds	3,338	2,779	(17%)
Murabaha and other Islamic financing income	140	163	17%	Deposits with banks	8,493	5,784	(32%)
Distribution to depositors and Murabaha costs	43	66	53%	Loans, advances and Islamic financing to customers	48,776	52,748	8%
Net Income from Islamic financing	97	97	NM	Investment securities	10,446	12,888	23%
NII and NI from Islamic financing	538	563	5%	Investment in associates	195	113	(42%)
Net fees and commissions	122	123	1%	Land, premises and equipment	1,096	1,347	23%
Net investment income	14	21	52%	Goodwill and other intangible assets	1,912	1,909	(1%)
Net gains from dealing in foreign currencies	23	33	40%	Other assets	856	751	(12%)
Other operating income	5	1	(74%)	Total Assets	88,048	90,121	2%
Non-interest income	164	179	9%	Due to banks and other financial institutions	25,217	24,117	(4%)
Net Operating Income	702	742	6%	Customer deposits	46,935	48,248	3%
Staff expenses	126	138	10%	Certificates of deposit issued	1,567	2,218	42%
Other administrative expenses	72	73	2%	Global Medium Term Notes (GMTN)	710	737	4%
Depreciation of premises and equipment	12	20	68%	Subordinated Tier 2 bonds	410	410	NM
Amortisation of intangible assets	3	3	1%	Other liabilities	1,885	2,478	31%
Operating Expenses	212	234	10%	Total Liabilities	76,723	78,208	2%
Pre-provision profits (and impairments)	490	507	4%	Share capital	2,043	2,145	5%
Provision charge for credit losses and impairment losses	139	103	(26%)	Proposed bonus shares	-	-	NM
Operating profit before taxation	350	404	15%	Statutory reserve	973	1,021	5%
Taxation	25	31	23%	Share premium account	2,640	2,640	NM
Non-controlling interest	18	19	9%	Treasury shares	(223)	(215)	(3%)
Profit attributable to shareholders of the Bank	308	354	15%	Treasury share reserve	46	46	NM
				Other reserves	4,097	4,483	9%
				Equity attributable to shareholders	9,575	10,120	6%
				Perpetual Tier 1 Capital Securities	693	693	NM
				Non-controlling interests	1,057	1,101	4%
				Total equity	11,325	11,914	5%
				Total liabilities and equity	88,048	90,121	2%

Consolidated Statement Of Income *(USD million)*

<i>USD million</i>	2016	2017	2018
Interest Income	2,193	2,448	2,958
Interest Expense	625	738	1,091
Net Interest Income	1,568	1,711	1,867
Murabaha and other Islamic financing income	422	514	614
Finance cost and Distribution to depositors	112	151	204
Net Income from Islamic financing	310	363	409
Net interest income and net income from Islamic financing	1,878	2,074	2,276
Net fees and commissions	438	457	495
Net investment income	21	65	7
Net gains from dealing in foreign currencies	117	111	129
Other operating income	3	5	5
Non-interest income	579	639	636
Net Operating Income	2,457	2,712	2,912
Staff expenses	474	509	527
Other administrative expenses	288	306	325
Depreciation of premises and equipment	54	50	48
Amortisation of intangible assets	14	10	10
Operating Expenses	831	875	911
Op. profit before provision for credit losses and impairment losses	1,626	1,837	2,001
Provision charge for credit losses	414	577	558
Impairment losses	88	44	34
Operating profit before taxation	1,124	1,217	1,408
Taxation	95	88	110
Non-controlling interest	56	66	77
Profit attributable to shareholders of the Bank	973	1,063	1,222

Consolidated Statement Of Financial Position (*USD million*)

<i>USD million</i>	2016	2017	2018
Cash and short term funds	8,859	9,046	9,781
Central Bank of Kuwait bonds	2,469	2,162	2,670
Kuwait Government treasury bonds	1,626	3,548	2,875
Deposits with banks	7,939	8,204	7,795
Loans, advances and Islamic financing to customers	44,878	47,816	51,116
Investment securities	10,480	11,042	12,127
Investment in associates	243	208	104
Land, premises and equipment	841	1,069	1,196
Goodwill and other intangible assets	1,918	1,919	1,909
Other assets	664	824	859
Total Assets	79,917	85,838	90,432
Due to banks and other financial institutions	24,226	24,627	26,675
Customer deposits	41,570	45,432	47,441
Certificates of deposit issued	1,372	1,618	1,487
Global medium term notes (GMTN)	-	729	726
Subordinated Tier 2 bonds	411	411	411
Other liabilities	1,113	1,279	1,488
Total Liabilities	68,691	74,097	78,228
Share capital	1,858	1,951	2,049
Proposed bonus shares	93	98	102
Statutory reserve	929	976	1,024
Share premium account	2,648	2,648	2,648
Treasury shares	(257)	(257)	(216)
Treasury share reserve	46	46	46
Other reserves	4,193	4,527	4,776
Equity attributable to shareholders of the bank	9,511	9,988	10,429
Perpetual Tier 1 Capital Securities	695	695	695
Non-controlling interests	1,020	1,058	1,079
Total equity	11,226	11,741	12,203
Total liabilities and equity	79,917	85,838	90,432

Contact

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Useful information

Download copies of NBK's:

- [Financial statements](#)
- [Earnings release](#)
- [Annual report 2018](#)